

**NEW JERSEY UTILITY AUTHORITIES JOINT INSURANCE FUND
OPEN MINUTES
NOVEMBER 17, 2015
CAESARS, ATLANTIC CITY
2:30 PM**

Meeting of Executive Committee called to order by Brian Bigler, Chairman. Open Public Meetings notice read into record.

PLEDGE OF ALLEGIANCE – Chairman Bigler led Commissioners in the Pledge of Allegiance

ROLL CALL OF 2015 EXECUTIVE COMMITTEE:

Brian Bigler, Chairman	Secaucus MUA	Present
Michael Gianforte, Secretary	Two Rivers Water Reclamation Authority	Present
Tammy Fetherman	Lacey MUA	Present
Robert Fischer	Bayshore Regional SA	Present
Robert Burner	Cape May County MUA	Present
Frank Pastena	North Bergen MUA	Present
Bernard Rutkowski	Toms River MUA	Present

EXECUTIVE COMMITTEE ALTERNATES:

Justin Flancaum, Alt #1	Lakewood MUA	Present
Thomas Horn, Alt #2	Lambertville MUA	Present
Richard Brand, Alt #3	East Windsor MUA	Present

APPOINTED OFFICIALS PRESENT:

Executive Director/Adm	Perma Risk Management Cathleen Kiernan
Attorney	Berry, Sahradnik, Kotzas & Benson, P.C. Robert Budesa
Claims Service	Qual-Lynx Kathy Kissane
Safety Director	JA Montgomery Risk Control Joanne Hall, Robert Holwitt
Managed Care	QualCare Donna Setzer
Underwriting Manager	Capacity Coverage Jon Ziman
Treasurer	Stuart Neuhof

FUND COMMISSIONERS AND ALTERNATES PRESENT:

Robert Maybury, Mount Holly MUA
Gary Vaccaro, Brick Township MUA

ALSO PRESENT:

Ilene Laursen, Conner Strong & Buckelew
Charles Casagrande, Danskin Insurance Agency
Cindy Lisa, Danskin Insurance Agency
Jennifer Modica, Marsh & McLennan Agency
Dom Cinelli, Brown & Brown
Frank Covelli, Professional Insurance Agency
Bradford Stokes, PERMA Risk Management
Karen A. Read, PERMA Risk Management
Robyn Walcoff, PERMA Risk Management

APPROVAL OF MINUTES: October 26, 2015 Open and Closed Minutes.

MOTION TO APPROVE OCTOBER 26, 2015 OPEN AND CLOSED MINUTES.

Moved:	Commissioner Gianforte
Second:	Commissioner Fischer
Roll Call Vote:	6 Ayes, 0 Nays, 1 Abstain – Chairman Bigler

CORRESPONDENCE: None

REPORTS:

EXECUTIVE DIRECTOR'S REPORT: Monthly report submitted to Executive Committee including monthly Lost Time Accident Frequency, Fast-track financial report, Claim Activity Report, Claims Management Exception Report, Interest Rate Summary Comparison, Monthly Loss Ratio by fund year and line of coverage and Monthly and Annual Regulatory Checklist. Executive Director said as of September 30, 2015 the Financial Fast Tracks shows the statutory surplus stands at \$6.4 million - up \$600,000 from last month. All Fund years are in a positive position. The Expected Loss Ratios as of October 31, 2015 shows all years - with the exception of 2015 - are less than where actuarial targeted with 2015 being only slightly higher than the actuary projected. Executive Director said the Lost Time Accident Frequency through October 31st at 2.17 and noted NJUA JIF is 10th out of the 15 that are monitored in this report. Executive Director said the MEL Model for the POL/EPL Program will be out sometime before the end of the year. We will ask you to make a couple of updates and you will have almost all of 2016 to make the updates.

Executive Director introduced Robyn Walcoff who replaced Mary Lou Doner who retired in July. If you receive focus letters they are now coming from Robyn.

Executive Director also introduced Joseph Hrubash, who was formerly the MEL Underwriting Manager but now Joe is part of PERMA and serves as Executive Director of several of the Joint Insurance Funds and Deputy Executive Director of the MEL JIF.

2016 BUDGET – Last month, the board introduced the 2016 proposed budget. All members were mailed a notice of the public hearing. In addition, the proposed budget was published in the Fund’s designated newspaper. The proposed budget totaling \$10,345,021, representing a 1.45% increase, which was enclosed in the agenda.

In accordance with the Fund’s assessment allocation methodology, assessments are capped at 4% over the average budget increase of standard members plus loss ratio surcharges.

MOTION TO OPEN THE PUBLIC HEARING

Moved:	Commissioner Gianforte
Second:	Commissioner Burner
Vote:	Unanimous

Executive Director said the 2016 Budget is included in the agenda and is the same as discussed at the October meeting. Executive Director said there is a new line item in the 2016 budget (line item 6); this line is in response to the MEL’s new retrospective rating program. The MEL adopted a Retrospective Premium where they are collecting 85% of the claims fund assessment; if the JIF’s claims fund losses exceed that amount, there will be an additional billing up to a maximum of either 100%, 115% or 125% - determined by member JIFs’ 10 year loss ratio. If the NJUA’s losses exceed that amount, the MEL will bill “dollar for dollar” up to a cap 115%. Executive Director said this procedure will allow for the local JIF to take greater responsibility in their claims experience and allows for a more equitable distribution of the MEL assessments. Reconciliation of claims and assessments will be performed at 10 years, since excess claims take longer to develop. Proposed budget includes a new line item to fund potential additional balance due billing – “aggregate loss fund contingency”. This figure will be transferred from the JIF’s 2016 budget to a newly created separate account – which will be funded each year.

MOTION TO CLOSE THE PUBLIC HEARING

Moved:	Commissioner Gianforte
Second:	Commissioner Fetherman
Vote:	Unanimous

MOTION TO ADOPT THE 2016 BUDGET TOTALING \$10,345,021 AND CERTIFY THE ASSESSMENTS

Moved:	Commissioner Gianforte
Second:	Commissioner Fischer
Roll Call Vote:	7 Ayes, 0 Nays

2015 DIVIDEND – The Board voted at the October meeting to release a dividend in the amount of \$1,500,000. Enclosed in the agenda was the distribution by member authority. Executive Director said Resolution 27-15 was adopted to authorize the release of \$1,500,000 and today we have a revised copy of that Resolution since we inadvertently listed \$100,000 from Fund Year 2012 Loss Contingency when the intent was to take \$100,000 from Fund Year 2011 Loss Contingency. The calculations on pages 4 and 5 of the agenda is consistent with the Revised Resolution.

MOTION TO REVISE RESOLUTION #27-15

Moved:	Commissioner Fetherman
Second:	Commissioner Gianforte
Roll Call Vote:	7 Ayes, 0 Nays

MEL MEETING: The MEL Board of Fund Commissioners will hold it’s public hearing on the 2016 budget on November 18, 2015 at 5:00 PM in Room 305 in the Atlantic City Convention Center.

NOMINATING COMMITTEE: The Nominating Committee will need to meet to develop their recommendation for a 2016 slate at the December meeting. In accordance with the bylaws, the Executive Committee is comprised of seven Executive Committee members and four alternates. The Nominating Committee is: Tammy Fetherman, Brian Bigler, Bernie Rutkowski and Robert Fisher.

E-JIF REPORT: The EJIF will meet at 12:00 on November 18, 2015 at the Sheraton, Atlantic City.

ELECTED OFFICIALS TRAINING: This year’s elected officials training program will focus on Public Officials & Employment Practices Liability. A session will be held on Tuesday, November 17, 2015 in Caesars in Palladium C. Another session is scheduled at the League of Municipalities Conference for 3:45 PM in Atlantic City Convention Center on Wednesday, November 18, 2015. Executive Director said there will be classes held throughout the state as well and these classes will be posted on the MEL website. The online course will also be available some time in January. Any Board Member or Chief Operating Officer that attends will receive a \$250 credit to their assessment.

2016 FUND PROFESSIONALS: In October, Executive Committee reviewed the results of the Fund’s Request for Qualifications. Since the Fund received multiple responses for Third Party Administration and Managed Care, we have contacted those responses and asked for a fee proposal. Executive Director said she has received most of this information and will the remaining fees before the December meeting.

CLAIMS SWEEP LETTER: Executive Director said this is a new item for the agenda and most member should have received a Claims Sweep Letter via certified mail and an email copy. Executive Director said XL the current EPL POL carrier asked for a 15% increase for 2016. We

did market that coverage and received a Quote from QBE for 5% increase for 2016 and 5% increase for 2017. The decision was made to switch to QBE but one of the conditions was that you make sure to report any existing POL/EPL claims or any incidents that could potential turn into a future claim.

MEMBERSHIP RENEWALS – Attached is a list of members scheduled to renew Fund membership by January 2016.

TREASURER:

VOUCHER PAYMENTS (BILL LIST)

2015 \$78,585.79

CONFIRMATION OF CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF OCTOBER 2015:

Closed:	\$.00
2011:	\$ 0.00
2012:	\$ 13,192.06
2013:	\$ 61,959.94
2014:	\$ 55,472.42
2015:	\$111,552.69
Total:	\$242,177.11

MOTION TO APPROVE NOVEMBER BILLS LIST, CONFIRM CLAIMS' PAYMENTS/CERTIFICATION OF CLAIMS' TRANSFERS DURING MONTH OF OCTOBER 2015 CLAIMS AND ACCEPT TREASURER'S REPORT:

Moved:	Commissioner Gianforte
Second:	Commissioner Fetherman
Roll Call Vote:	7 Ayes, 0 Nays

Treasurer's Report Attached & Made Part of Minutes.

ATTORNEY: None

MANAGED CARE:

MONTHLY REPORT: Report submitted and reviewed by Ms. Setzer of QualCare.

Report Made Part of the Minutes.

SAFETY DIRECTOR:

MONTHLY REPORT: Safety Director Joanne Hall said the Safety Steering Committee officers met and thought for continuity purposes the existing slate of Commissioners which include Anthony Stagliano, George Lewis, Jill Plesnarski, Maria Brush and Bernie Rutkowski as Past Chair would stay on and try and recruit new members for committee work this year as part of the Executive Safety Committee. The Safety Committee recommending that 2016 Safety Expo be on the same schedule 2015 - with one being held in June and the other in September. Committee is looking to revise and update the Safety Incentive Program with less reporting for the members. Instead of quarterly reporting, the Fund will ask members to do an annual training report that would be due at the end of the year. Committee’s next meeting is scheduled for December 17, 2015 at the Evesham MUA and the topic for the seminar presented by CNA will be on infrared testing.

Report Made Part of Minutes.

CLAIMS: Claims Manager Kathy Kissane said included in the agenda on page 62 was the Subrogation Policy that was distributed in October and is used other Joint Insurance Funds. Policy would allow the TPA to waive subrogation on amount under \$2,500 if the file is properly documented with efforts and anything beyond that up to \$10,000 Qual-Lynx would email JIF Attorney for approval; anything over the \$10,000 would be presented to the Executive Committee in the form of a PAR like we normally do for approval.

Following discussion, Executive Committee agreed policy was reasonable.

MOTION TO ADOPT SUBROGATION POLICY AS PRESENTED

Moved: Commissioner Gianforte
Second: Commissioner Burner
Roll Call Vote: 7 Ayes, 0 Nays

PUBLIC COMMENT:

NONE

**RESOLUTION - EXECUTIVE SESSION FOR CERTAIN SPECIFIED PURPOSES:
PERSONNEL - SAFETY & PROPERTY OF PUBLIC LITIGATION**

MOTION TO CLOSE MEETING:

Moved: Commissioner Gianforte
Second: Commissioner Fischer

Vote: Unanimous

MOTION TO RE-OPEN MEETING:

Moved: Commissioner Gianforte
Second: Commissioner Burner
Vote: Unanimous

DISCUSSION:

Commissioner Gianforte said the Executive Committee asked the Executive Director to request pricing for the multiple submissions for TPA and Managed Care and are expected to take action in January.

MOTION TO APPROVE PAYMENT AUTHORIZATION REQUESTS AS PRESENTED

Moved: Commissioner Pastena
Second: Commissioner Gianforte
Roll Call Vote: 7 Ayes, 0 Nays

OLD BUSINESS: NONE

NEW BUSINESS: Executive Director said Jon Ziman, Fund Underwriting Manager has Received two competing quotes on our Excess POL and Excess EPL program renewal. A meeting of the Coverage Committee will be scheduled to review the quotes and report in December.

Executive Director also suggested a Finance Committee meeting be scheduled to review fee proposals for Claims Administrator and Managed Care Provider.

Lastly, Executive Director said, as discussed last month, the MEL's Investment Committee went Issued a joint RFQ for Asset Management and Banking Services. Based on their review the MEL Board appointed Investors Bank for Banking and Wilmington Trust for Asset Management. Executive Director said the NJUA's contract contract is with TD Bank. The RFQ required every vendor to allow any affiliate to participate in the contract at the same terms. Executive Director said should bring this before the Finance Committee for consideration.

PUBLIC COMMENT: NONE

MOTION TO ADJOURN:

Moved:	Commissioner Pastena
Second:	Commissioner Gianforte
Vote:	Unanimous

MEETING ADJOURNED: 2:58 pm
NEXT REGULAR MEETING: DECEMBER 16, 2015
Karen A. Read, Assisting Secretary

For
Michael Gianforte, SECRETARY
Date Prepared: - December 8, 2015